Approval of FDI proposals

1956. MS. MABEL REBELLO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government in the month of March approved 26 Foreign Direct Investment (FDI) proposals that will bring Rs. 1042.91 crores in the country;

(b) if so, whether NEO Sports Broadcasting's plan to invest Rs.258.53 crores is among the proposals approved on recommendations of the Foreign Investment Promotion Board (FIPB);

(c) whether proposals from NSK Holdings to pump Rs.214.49 crore to make downstream investment has been cleared;

(d) whether Government has rejected three proposals including that of Bank of Nova Scotia of Canada which was to undertake wholesale trading and hedging in precious metals; and

(e) if so, what are the other proposals rejected and to what extent these proposals will help our economy?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) Yes, Sir.

(b) Yes, Sir.

(c) Yes, Sir.

(d) Yes, Sir.

(e) The other proposals rejected by the Foreign Investment Promotion Board (FIPB) are: M/s. MD Group Inc., Canada and M/s. Oriflame India Pvt. Ltd.

Foreign Direct Investment (FDI) is a means to supplement domestic investment for achieving a higher level of economic development and providing opportunities for technological upgradation, as well as access to global managerial skills and practices. With forward and backward linkages and access to international quality goods and services, FDI brings in capital and also provides access to modern technology and best practices.

Changes in foreign direct investment norms

1957. MS. MABEL REBELLO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether two months after Government announced major changes in Foreign Direct Investment (FDI) norms, Reserve Bank of India and his Ministry have sought comprehensive review of new guidelines on several contentious issues cutting across sectors that include banking, financial services, insurance, real estate, infrastructure and airlines;

(b) whether his Ministry has also desired to have a method to be built in where violation of sectoral gaps can be detected through a standard filing system either with the RBI or any sector regulator; and

(c) if so, to what extent Government has considered these views and by when final decision is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (c) Government has put in place a liberal and investor-friendly policy on Foreign Direct Investment (FDI) under which FDI up to 100% is permitted on the automatic route in most sectors / activities. The policy on FDI is reviewed on a continuing basis through inter-ministerial consultations, with due consideration of relevant issues raised by various stakeholders. During February 2009, Government had issued guidelines on the subjects of calculation of total foreign investment i.e. direct and indirect foreign investment in Indian companies, transfer of ownership or control of Indian companies in sectors with caps from resident Indian citizens to non-resident entities and clarificatory guidelines on downstream investment by Indian Companies through Press Notes 2, 3 and 4 of 2009 respectively. The Department of Economic Affairs had requested Department of Industrial Policy & Promotion for examination of certain issues relating to these Press Notes including, inter-alia, certain issues mentioned by Reserve Bank of India, to which Department of Industrial Policy & Promotion had responded. The Policy on Foreign Direct Investment (FDI) is incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified under the Foreign Exchange Management Act (FEMA), 1999. Section 13 of the Act provides for imposition of penalty, after adjudication, for contravention of the provisions of the Act or Rules/Regulations.

Approval of FDI proposals on recommendations of FIPB

1958. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has recently approved several proposals of FDI based on the recommendations of the Foreign Investment Promotion Board (FIPB);

(b) if so, the details thereof;

(c) the criteria adopted by the Government in according approvals to FDIs; and

(d) the details of FDI proposals deferred with reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) Government approves FDI proposals on the recommendations of FIPB on a periodical basis. On the basis of recommendations of FIPB in its last meeting held on 10.07.2009, the Government has approved 16 foreign direct investment proposals. The details of the proposals are available in the public domain and can be accessed at the website of the Department of Economic Affairs (www.finmin.nic.in).

(c) and (d) Government has put in place a liberal and investor-friendly policy on Foreign Direct Investment (FDI) under which FDI up to 100% is permitted on the automatic route in most sectors/activities. Proposals requiring prior Government approval, which are complete in all